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February 6, 2019

Isaac Perlmutter
Chairman
Marvel Entertainment, LLC



Bruce Moskowitz



Marc Sherman
Managing Director
Alvarez & Marsal



Dear Mr. Perlmutter, Dr. Moskowitz, and Mr. Sherman:

I am writing, in the wake of multiple reports detailing your alleged insider role in Department of Veterans Affairs (VA) contracting and other decisions, to seek information about your arrangement with the VA and whether you profited from your involvement in or knowledge of the VA's "multibillion-dollar effort to overhaul electronic health records"¹ and other VA decisions. The contract for these services – after your alleged intervention² – was ultimately given to Cerner Corporation, a publicly traded health care technology firm.³

You were and appear to remain in a unique, unofficial position at the VA. Although you reportedly had access to and influence over key agency decisions and decision-makers, you were reportedly not subject to any of the conflicts-of-interest and other ethics rules that apply to government employees. As a result, I am concerned that you may have had the opportunity to profit from your arrangement, including possibly by engaging in trades or other actions to enrich yourselves or other third parties using nonpublic information that you obtained from VA officials.

¹ ProPublica, "VA Shadow Rulers Had Sway Over Contracting and Budgeting," Isaac Arnsdorf, December 3, 2018, <https://www.propublica.org/article/va-shadow-rulers-had-sway-over-contracting-and-budgeting>.

² ProPublica, "The VA Shadow Rulers' Signature Program is 'Trending Towards Red,'" Isaac Arnsdorf, November, 2018, <https://www.propublica.org/article/va-shadow-rulers-program-is-trending-towards-red>.

³ Cerner, "About," <https://www.cerner.com/about>.

An initial report by *ProPublica* described you as the “troika” or the “Mar-a-Lago Crowd,” wielding disturbingly widespread influence over decision-making related to the VA.⁴ According to *ProPublica*, you have formed:

[A]n informal council that is exerting sweeping influence on the VA from Mar-a-Lago, President Donald Trump’s private club in Palm Beach, Florida. ... they have leaned on VA officials and steered policies affecting millions of Americans. They have remained hidden except to a few VA insiders ... [they] hovered over public servants without any transparency, accountability or oversight. The Mar-a-Lago Crowd spoke with VA officials daily, the documents show, reviewing all manner of policy and personnel decisions. They prodded the VA to start new programs, and officials travelled to Mar-a-Lago at taxpayer expense to hear their views. ... [They] have created headaches for VA officials because of their failure to follow government rules and processes. In other cases, they used their influence in ways that could benefit their private interests.⁵

In addition to your alleged role in and knowledge of the Cerner contract, you have reportedly been involved in or aware of VA decisions affecting at least three other publicly traded companies, including Apple, Johnson & Johnson, and Marvel Entertainment, LLC, the company where Mr. Perlmutter is Chairman.⁶

A recent *ProPublica* report, published on December 3, 2018, analyzed newly public VA emails and other records and revealed that all three of you were significantly involved in the “multibillion-dollar effort to overhaul electronic health records for millions of veterans”⁷ that resulted in the Cerner contract. This reported involvement included “review[ing] a confidential draft of a \$10 billion government contract for the electronic-records project, even though [you] lack any relevant expertise” and the persistent effort of Dr. Moskowitz to persuade the VA and Apple to accept Dr. Moskowitz’s app to improve the VA’s management of veterans’ electronic health records.⁸

Although you signed non-disclosure agreements, Mr. Sherman reportedly “edited the agreement to allow him, Perlmutter, and Moskowitz to discuss the details with one another and with the president or other administration officials.”⁹ Therefore, all three of you were apparently

⁴ ProPublica, “The Shadow Rulers of the VA,” Isaac Arnsdorf, August 7, 2018, <https://www.propublica.org/article/ike-perlmutter-bruce-moskowitz-marc-sherman-shadow-rulers-of-the-va>.

⁵ ProPublica, “The Shadow Rulers of the VA,” Isaac Arnsdorf, August 7, 2018, <https://www.propublica.org/article/ike-perlmutter-bruce-moskowitz-marc-sherman-shadow-rulers-of-the-va>.

⁶ ProPublica, “The Shadow Rulers of the VA,” Isaac Arnsdorf, August 7, 2018, <https://www.propublica.org/article/ike-perlmutter-bruce-moskowitz-marc-sherman-shadow-rulers-of-the-va>; ProPublica, “Democrats Vow Investigation of VA’s Shadow Rulers After ProPublica Story,” Isaac Arnsdorf, August 8, 2018, https://www.propublica.org/article/democrats-vow-investigation-of-va-shadow-rulers-after-propublica-story?utm_campaign=sprout&utm_medium=social&utm_source=facebook&utm_content=1533779266.

⁷ ProPublica, “VA Shadow Rulers Had Sway Over Contracting and Budgeting,” Isaac Arnsdorf, December 3, 2018, <https://www.propublica.org/article/va-shadow-rulers-had-sway-over-contracting-and-budgeting>.

⁸ *Id.*

⁹ *Id.*

free to discuss nonpublic information – about potential agency financial transactions involving publicly-traded companies – with each other and White House officials.

You have claimed that “[n]one of us has gained any financial benefit from this volunteer effort, nor was that ever a consideration for us.”¹⁰ But I am concerned that your involvement in internal VA deliberations and decisions regarding contracting and other functions provided you with access to nonpublic information that you could have used to make investment decisions and enrich yourselves, your friends, family members, business associates, or other third parties, and I am writing to seek assurances that you did not do so.¹¹

I therefore ask that you provide answers to the following questions no later than Friday February 15, 2019:

1. Please indicate whether you have ever been an employee of the U.S. Department of Veterans Affairs.
 - a. If so, please indicate your dates of employment, responsibilities, and compensation.
 - b. Please provide an accounting of any expenses or reimbursements that the government paid during the period you were working with the Department of Veterans Affairs.
2. Please indicate whether you have ever been a contractor of the U.S. Department of Veterans Affairs.
3. Were you ever given a briefing – either orally or in writing – about your ethical and legal obligations, including confidentiality obligations, in connection with your involvement with the Department of Veteran’s Affairs?
 - a. Please describe any briefings and provide any materials you received.
 - b. Please provide a copy of all agreements that you signed.
4. Please list all publicly or privately traded companies or other entities that you discussed, or obtained information about, from any former or current VA official since January 20, 2017.


¹⁰ Statement by Ike Perlmutter, Bruce Moskowitz and Marc Sherman to ProPublica (July 18-20, 2018), <https://assets.documentcloud.org/documents/4704885/Full-Statement-by-Perlmutter-Moskowitz-and-Sherman.pdf>.

¹¹ The SEC defines illegal insider trading as “buying or selling a security, in breach of a fiduciary duty or other relationship of trust and confidence, on the basis of material, nonpublic information about the security,” and includes conduct such as “[p]olitical intelligence consultants who may tip or trade based on material, nonpublic information they obtain from government employees.” U.S. Securities and Exchange Commission, “Insider Trading,” <https://www.investor.gov/additional-resources/general-resources/glossary/insider-trading> (accessed December 7, 2018).

5. Please confirm, for each of the companies or entities referenced in question 4, whether you engaged in any trades of stock or any other financial transaction since January 20, 2017.
 - a. If you have engaged in any such activity, please list the company, the date of the activity, the type of activity, and the value of the financial transaction.
6. Please indicate whether you provided information about any company or entity listed in response to question 4 to any third party.
 - a. If you provided such information, please list the company, a summary of the information provided, the third party to whom you provided the information, and the date you provided this information.

Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator